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Public Services in a “Post-Democratic Age”
An Alternative Framework to Network Governance

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Abstract

This paper questions the continued dominance of the network governance approach in public policy and administration and proposes an alternative framework. It finds little evidence to support claims for a paradigmatic shift towards network governance in the English case. Neither does the evidence support claims for a weakening of vertical linkages or a strengthening of horizontal linkages within, or across, service delivery chains in the England. Instead bureaucratic and hierarchical structures remain pervasive and power remains highly centralised. The two case studies, of economic development and affordable housing provision, demonstrate how reforms are driven by elected politicians’ political objectives and their support of various target groups in society. Nevertheless, these objectives must be understood within the context of Crouch’s “post-democracy” – essentially the exigencies of contemporary electoral politics and the pervasive influence of business. The study of public administration and management needs to refocus on the implications for the public services of post-democracy and address critical questions of power, competing interests, mechanisms of exclusion and inclusion and contested claims to knowledge and expertise within service delivery chains.

Key words: governance, public services, public service delivery chains, economic development, affordable housing.

Introduction

The public management and administration literature is dominated by the network governance framework. This article questions this framework and argues that it fails to reflect the realities of policy and decision making in contemporary public services especially during a period of financial austerity. Over recent years the study of public administration has become narrowly focussed on technocratic and overly generalised explanations of governmental reorganisations in terms of a shift towards network governance and/or a 'New Public Management'. In contrast the framework outlined here places vertical, hierarchical-type relationships – rather than horizontal, network relationships – at the centre of analysis, and stresses power relationships and competing interests rather than consensual decision-making. It also argues that service delivery reforms must be understood not in terms of generic trends towards governance but of the policy dynamics specific to particular services (for a similar argument in central-local relations, see Entwistle 2010) and particularly the dilemmas confronting policymakers. The two case studies illustrate how shifts in the design of service delivery chains are often intimately bound up with policymakers' partisan political objectives and strategies. The service delivery chains in economic development and affordable housing provision were reformed first by the last Labour government (1997-2010) and then the present Coalition (Conservative-Liberal Democrat) government. As will be seen, these various sets of reform have their basis in fundamental issues of territorial and social distribution rather than a 'governance' trend or particular wave of New Public Management.

A bureaucratic-governmental versus a network governance framework

Contemporary public service structures have evolved significantly over recent years in the UK. Network governance advocates argue that these structures now reflect

organisational principles which differ significantly from those established in the immediate postwar period. They maintain that these changes are producing a 'paradigmatic' shift or 'a new process of governing; or a changed condition of ordered rule; or the new method by which society is governed' (Rhodes 1996: 652-3; Rhodes 2007; Chhotray and Stoker 2009; Sorensen and Torfing, 2006 and 2009). Their contentions are: (1) networks are eclipsing hierarchies or bureaucracies as the mode of coordination, in particular horizontal networks have grown in importance, and allow social actors considerable freedom to coordinate themselves with diminished central government involvement; (2) extra-governmental actors – increasingly involved in service delivery and from the nonprofit or private sectors – 'self-organise' and acquire countervailing power requiring central government policymakers to collaborate rather than command them; and (3) central governments resort to 'softer' or indirect controls or even persuasion (Bell et al. 2010) as old 'command-and-control', direct policy instruments fail to steer other social actors.

However, the network governance stress on decentralised and horizontal power relationships misses the realities of contemporary public service delivery. Those realities necessitate a return to a bureaucratic-governmental framework. (1) Service delivery chains have indeed become more multi-organisational than was once the case. Nevertheless, power remains highly centralised as in the 'asymmetric power model' (Marsh et al, 2003, Marsh 2008, and Richards 2008). Public services are delivered through top-down institutionalised structures even despite apparently being 'de-bureaucratized' or outside direct government control.

(2) The assumption that the removal of bureaucratic structures necessarily gives rise to 'self-organising networks' is questionable. It assumes that local discretion can be guaranteed against powerful centripetal forces in the absence of clear policy and institutional frameworks. Moreover, although bureaucratic structures are often presented as oppressive, 'regulating the poor' in Piven and Cloward's (1971) classic phrase, they can also protect the interests of deprived and dependent groups. Rights require uniform enforcement which is 'rarely guaranteed without the presence of large, centralized bureaucracies capable of creating and enforcing them' (Du Gay 2005, p. 7). Yet the governance and public management literature tends to adopt the stance of popular management books by portraying 'bureaucracy' negatively, celebrating the heroic networking skills of public managers, their strategies and meeting 'performance' criteria, within a largely consensual and fluid, inter-organisational world. The English Local Government Modernisation Agenda evaluation studies illustrate this tendency (for a review see Laffin, 2008).

(3) The evidence that central governments are fundamentally modifying their control strategies is weak. In England the trend, at least in central-local relations, has been in the reverse direction (X, 2008; Wilson 2002). Central policymakers are indeed increasingly 'governing through governance' but using extra-governmental organisations to evade local political 'interference' in service delivery (Bache 2003, p. 312; see also Ball 2008). Pike and Tomaney (2009, p. 29) note that to interpret Labour's regional governance of economic development in England "as decentred, networked and plural forms of governance replete with diverse varieties of spatial-institutional entities appears to downplay the shadow of the national state and the instrumental role of pushing down responsibility for economic development to lower

level institutions without concomitant shifts in authority and resources.” Similarly, although social housing delivery mostly now involves many nonprofit organisations managed through a regulatory system, this system represents a centralisation or nationalisation of housing services (Xa, forthcoming).

The next section outlines an alternative framework for understanding recent changes in public administration, stressing the internal structures of service delivery chains and producer-user relationships. The middle section analyses how two contrasting service delivery chains have changed under the previous Labour government (1997-2010) and now under the Coalition (Conservative and Liberal Democrat) government (2010 onwards). These two case studies provide evidence of the continued significance of formal organisations and the political tensions underlying service delivery reorganisations and how these tensions differ across policy sectors. The final section, then, sums up the argument. The paper draws on a small pilot project, supported under the UK Arts and Humanities Research Council Connected Communities Programme. The project involved a literature review of recent public management literature and, in particular, the literature on specific public services which the mainstream public management literature has neglected. Two workshops were held during 2011 to explore the Coalition Government’s policy agenda, focussed on economic development and housing (but not exclusively). About 40 senior practitioners attended each workshop from local government, central government, former regional governance bodies, private sector, and voluntary and community sector practitioners. The first was held in the North East of England to capture a regional perspective, and the second was a national workshop hosted by the Local Government Information Unit. Participants discussed relating changes to their

respective service delivery chains, including the removal of regional structures and the localism agenda, their impact, the place of their organisations in relevant delivery chains and policy-influencing strategies.

Analytical framework: service delivery chains, pathways to influence and mechanisms of representation

‘Network’ has become such a pervasive term as to be almost meaningless (e.g. John 1998, 85-86; Hill and Hupe 2011). ‘Network’ has long been used as an analytical concept. What is still one of the best examples of applying network analysis (Friend et al. 1974) is now almost 40 years old, tellingly Friend’s analysis gives priority to vertical relationships. Essentially ‘network’ refers to relationships or means of social coordination which are neither hierarchical nor market-like but are more informal and rest on cooperation and trust, emphasising horizontal rather than vertical relationships. Governance theorists stress the capacity of networks to ‘self-organise’ and develop their own policies independently of central policymakers (e.g. Rhodes 1996, 2007).

The network governance literature assumes a pluralist model of the state. Power is assumed to be fragmented with policy outcomes emerging from competition among many interest groups, none of which enjoy overarching control over more than quite limited areas of social concern, while citizens enjoy fairly easy access to policymakers. These pluralistic assumptions have been widely criticised for understating governments’ capacity to control decision-making by excluding/including groups, defining the policy agenda and restructuring the state machinery. Critics of governance theory note how it masks ‘traditional social science concerns with conflicting interests and logics’ (such as Walters, 2004: Hill and Hupe

2011) and assumes a pluralistic, political inclusiveness and neglects questions of social redistribution and politically dependent minorities (Ingram et al. 2007; Xa, forthcoming). The analysis here starts from Crouch's (2004) idea of "post-democracy". 'Post-democracy' refers to 'a stress on 'electoral participation as the main type of mass participation, extensive freedom for lobbying activities, which mainly means business lobbies, and a form of polity that avoids interfering with a capitalist economy. It is a model which has little interest in widespread citizen involvement or the role of organizations outside the business sector' (Crouch 2004, p. 3). He argues that 'the political class 'wants as much as possible to exclude the mass of citizens from becoming actively involved in probing its secrets, organizing oppositional activities, disturbing the tight control exercised by the politico-business ellipse' (2004, p. 112). In particular, large corporations have become dominant and are displacing governmental hierarchies and even markets (Crouch 2004 and 2012). The post-democracy thesis is important in highlighting key aspects of policymakers' political and economic context plus the emergence of new, extra-governmental producer groups within the welfare state which have at least the potential to change the politics of collective consumption.

However, government policy cannot be understood simply in terms of electoral exigencies and business interests. As the two case studies will illustrate, some Labour ministers did seek to pursue redistributive ends and build in representative mechanisms and organisational structures – such as the regional development agencies and National Tenants Voice – to counterbalance the interests of deprived and dependent groups against the South East business lobby and the large bureaucratic housing providers. The Conservative-led Coalition government, then, abolished these

structures largely in the interests of austerity politics and strengthening business interests.

Vertical, service delivery chains, then, form the analytical starting-point rather than networks. ‘Service delivery chains’ refer to the vertical relationships within governmental organisations, in inter-governmental relationships and between government and those extra-governmental organisations involved in service delivery. These chains embrace both more traditional, bureaucratic structures – where central policymakers have formalised, hierarchical control over the chain and the providers are controlled through direct employment – and chains where policymakers, at least ostensibly, control extra-governmental producers through commissioning or contracting-out. Chains reflect, too, the characteristically departmentalised or “siloed” nature of UK central government which persists despite efforts to ‘join-up’ government (Ling 2002, Davies 2009). Arguably contracting-out reinforces vertical structures as it cannot easily, if at all, accommodate more than a single departmental commissioner or purchaser; although very little research has been conducted on the relationship between contracting-out and joined-up government to substantiate such contentions. The framework presented here distinguishes, for analytical purposes, between the internal management of such chains – involving policy frameworks or guidance, multiple accountabilities and structural appreciation, (based on Friend et al., 1974; Friend, 1977) – and their external relationships, including the management of mechanisms of representation (MoRs) and emergence of pathways to influence (PtI).

Service delivery chains (1): policy frameworks, multiple accountabilities and structural appreciation

Firstly, policy frameworks denote the formal rules and guidelines constituting government policy in a delivery chain. Frameworks vary across services in terms of how tightly they are defined. Those services involving specific entitlements – such as unemployment benefits, social security and housing benefits – are highly rule-bound with only limited discretion allowed to frontline staff. Thus frontline compliance is largely unproblematic. One powerful underlying dynamic, creating tendencies towards the nationalisation of service standards, is the public expectation that each citizen will receive a similar service regardless of where they live to prevent a ‘postcode lottery’ for public service users. In other services, policy frameworks are less prescriptive. Those making the decisions at the ‘local’ level, usually professionals, are allowed considerable discretion. For example, land-use planners and their elected members have considerable scope to consider the location and type of housing and other facilities within general planning policy guidance. Another example is child protection. Social workers have to be given some discretion to assess children and families and manage their workloads given that assessments about complex family relationships are not susceptible to the straightforward application of pre-formed decision rules. However, a long series of child abuse scandals led to a tightening up of these rules and stronger monitoring regimes, but these are now being seen as obstructing rather than promoting effective child abuse detection and prevention by absorbing social workers’ time in compliance and leaving little room for local interpretation and implementation (White at al., 2010; Purcell and Chow, 2011, p.407).

Secondly, decision-makers in chains face multiple accountabilities where major stakeholders and other elected levels of government are involved. Again the more

frontline delivery requires the application of bureaucratic rules to an easily understandable situation, the simpler will be the lines of accountability. However, once other levels of, especially elected, government are involved these lines become more complex. For example, the local government chain of accountability – with officers accountable to elected members who are, in turn, accountable to the local electorate – has been weakened with pressure towards greater responsiveness upwards to central government (as local authorities have come under pressure to respond to central messages, especially where inspectors are active, Downe and Martin, 2006). Similarly, the greater involvement of extra-governmental providers means that the relationships of accountability become contract, not employment based, especially as contemporary policymakers often see the former as giving them greater effective control. However, although horizontal links appear to have grown in number, the existence of such links is not itself evidence that horizontal links are displacing vertical power relationships. They may simply be necessary local adjustments between actors otherwise locked into centrally-driven service delivery chains.

Thirdly, ‘structural appreciation’ refers to the interpretation or understanding of the pattern of relationships underlying the problems which the delivery chain is perceived as tackling. The term refers to how the causal relationships are understood by those in the chains, especially but not only by the professionals involved, such as the causal relationships between firms applying for government support and their markets; between future demographic shifts and the type and location of housing; between family members prior to social work interventions. Structural appreciation can lead to arguments which conflict with those based on guidelines. Policy frameworks stress “certain general characteristics of entities which constitute cases and for decision,

and seek to impose some general classification on them ('equal treatment for all school children of type X', 'all firms of type Y' ...), considerations of structure emphasise relationships which are unique to a particular case ('the family environment of this disturbed child', 'the importance of a specific company to a locality' ...)" (Friend 1977). Thus SDCs involve decision-makers having to analyse situations before they can apply the policy frameworks which are essentially about classifying situations. Of course, too, people's understanding of causal relationships can differ considerably reflecting their territorial and/or organisational location, past socialisation and particularly professional socialisation. Those at the frontline, or street-level, often perceive their realities as being very different from how those realities are perceived at the next level upwards (Lipsky 1980). Typically those lower down the chain see their locally-defined problems as failing to match centrally-defined problems and solutions, especially when marked territorial differences exist and when they have to work across vertically-segmented service chains. For example, in housing those in the North East argued that the Coalition's national housing policy framework reflected the realities of housing shortage in the South East rather than the North East realities of a deteriorating housing stock. Central policymakers themselves also cannot assume that local managers have the necessary technical knowledge to enact or even to understand new policies, the latter have frequently to learn a range of 'often new and detailed techniques' to implement often ambiguous policy directives (Schofield 2004, p. 283). Cognitive obstacles also exist to citizen participation and to bringing local communities into the policy process. For instance, the local knowledge accessed through consultation can be dismissed in a planning system which selectively 'privileges scientific and technical knowledge' over other types of knowledge and evidence (Sandercock, 1998, p.5; Bishop, 2010). Similarly, those at

the local level are reluctant to 'translate their values and epistemologies into the frame of legitimacy required by the planning system' (Anderson, 2008, p.286).

Service delivery chains (2): mechanisms of representation and pathways to influence

'Mechanisms of representation' (MoRs) refer to the formalised and recognised means of reflecting the interests and concerns of those involved, the stakeholders, in delivering and receiving services within a chain. The official justification is that citizens' interests should be represented through mechanisms supplementing representative democracy. Their design is necessarily an act of political-bureaucratic management. They can be used as means of co-opting potential dissent, securing legitimacy, policy learning through consultation and often as a mix of all three. A critical, and sometimes, contentious question is who is or is not a 'stakeholder' to be 'represented'. Policymakers typically seek to include certain groups but exclude others through implementing rules of consultation and defining what types of behaviour are, and are not, 'respectable' or legitimate (Dearlove 1973).

Meanwhile, those involved in the chain, either as providers or service users, typically seek to organise themselves to advance and protect their interests by pressing for recognition in an existing or new representative mechanism. Both sides have to find ways of legitimating these different claims for involvement and the language of representation provides them with the necessary justification. Yet all claims to representation are 'partial and contestable' (Saward, 2005, p. 182), 'representation is not a fact, but rather a process that involves the making of *claims* to be representative.' (Saward 2005, p. 184). These claims to 'representativeness' extend

beyond justifications simply in terms of links with ‘the formal line of democratic delegation’ (2005, p. 192). This view of representation also raises questions about the representativeness of representation, namely how equality and difference are incorporated into the process of participation, particularly those groups that are effectively ‘hidden or excluded from the mainstream of civic life’ (Gyford, 1991, p.2).

Those affected by a particular chain – as producers, users or others with some other interests at stake – often (but certainly not always) act strategically and actively seek out those with access to power. The selection of a particular pathway reflects the type of policy or service, the channels available, the possible available coalitions of actors and the inclinations of the actors themselves. Conlan and Posner (2011) identify four “Pathways to influence” – the partisan and symbolic which typically involve mobilising mass public support (usually involving elected politicians pursuing electoral advantage). In contrast, in the expert and pluralist pathways “policy making is seen largely as a process of adjustment among contending organized interests” (2011, p. 10) but with the former involving expert knowledge and professional-bureaucratic channels.

The earlier public policy literature stressed the issues raised by the presence of professional producer group interests within government typically working through insider policy communities (e.g. Jordan and Richardson, 1978) or the expert pathways. Policy communities, typical of the early postwar period, give policy access to some actors but exclude others. These traditional producer-based policy communities have declined in significance across most policy sectors but ministers and political parties have taken up the policymaking slack rather than open and

inclusive policy networks (Richardson, 2000; X, forthcoming). New extra-governmental producer group interests have now emerged – in the private sector, around companies such as SERCO and CAPITA, and in the nonprofit sector, especially around the major charities which have increasingly professionalised their lobbying activities. Their interests differ from those of the traditional professional-bureaucratic interests (which are losing their role as traditional policy communities have largely disappeared). As these new extra-government organisations take over more services within market or ‘quasi-market’ conditions, new issues of control and accountability are raised as Crouch argues in his post-democracy thesis. Regulatory systems have necessarily had to be introduced to maintain government control, to protect users made vulnerable when services are taken outside direct government control (for example regulating social landlords in the interests of tenants through the former Tenant Services Authority) and even providers (the TSA also protected private investors’ interests in housing associations).

Two delivery chains: economic development and affordable housing

This final section examines two service delivery chains through the contrasts and similarities between how Labour and then the Coalition government have sought to redesign and manage them. The Coalition’s main policy aims, relevant to service chains, are outlined first and the two cases then examined.

The Coalition government’s stated aims to re-engineer service delivery chains can be summed up under five headings. The **Big Society** refers to the creation of a new state-individual relationship, involving ‘a new focus on empowering individuals, families and communities to take control of their lives’ (Cameron, 2009; Kisby 2010),

although the idea is already losing its prominence in the Coalition's policy agenda. The assumption is that if government withdraws a service, if that service is really necessary, local communities themselves will organise to provide it and do so without the requiring the prescriptive policy frameworks characteristic of Labour government (Norman 2010). Meanwhile government will look to alternative, extra-governmental means of delivering those public services it retains. However, despite the rhetoric the government has given the contracts to firms like SERCO and CAPITA rather than charities, often apparently after lobbying from the former which are emerging as new producer group interests. Under the **Localism Agenda** the Government has pledged to devolve power to local communities, promising "powerful new incentives for local people so they support development in the right places and receive direct rewards from the proceeds of growth to improve their local areas" (DCLG, 2010). Meanwhile **public sector delayering** is removing "unnecessary", intermediate levels of government, particularly regional governance structures. As many services are being contracted-out mostly to large private sector service companies, these contracts are based on **payment-by-results (PBR)** to ensure government obtains value-for-money. Substantial **cutbacks** are being imposed across the public sector with the UK facing some of the deepest spending cuts among the advanced economies (Taylor-Gooby and Stoker, 2011, p. 6). The Department of Communities and Local Government will have lost 33 per cent of its administration budget by 2015 (Conrad, 2010), while local government is facing planned expenditure cuts of over a quarter between 2010 and 2014-15 (Taylor-Gooby and Stoker 2011, p. 8). Meanwhile, the voluntary and community sector will lose an estimated 7.7% of income from central and local government, receiving £911 million less in 2015/16 than in 2010/11 despite the Big

Society rhetoric (NCVO, 2011). Such extensive cuts raise serious questions over the viability of the localism and Big Society agendas (Lowndes and Pratchett 2012, p.22).

(1) Economic Development and the Politics of Territorial Redistribution

The UK is characterised by deepening territorial inequalities, originating from the inter-war decline of Northern industrial economies and the economic growth driven by financial services in the South East and London (McCarthy et al, 2012, p.126). Successive central governments have established regional government institutions in England designed to tackle these inequalities through the relocation of economic activity and latterly with a focus on stimulating local growth and employment in declining areas (Murphy and Caborn, 1996; McCarthy et al, 2012; Pike et al, 2012). However, in terms of articulating a political voice regional identities vary significantly across England (Tomaney, 2002, p. 728), the Northern regions do have some identity but the South East has almost no regional identity (John et al, 2002, p.738) .

The last Labour government sought to correct the relative economic decline of the North and appease Northern Labour MPs, who feared the economic consequences of Scottish devolution, by introducing a well-defined and institutionalised, central-regional-local, delivery chain in economic development. An attempt to introduce elected Regional Assemblies foundered during the first Labour government following an unsuccessful referendum (Shaw and Robinson, 2007, p. 244). Nonetheless, Labour developed devolved administrative structures exemplified by the Regional Development Agencies (RDAs) launched in 1998. The RDAs were charged with developing and executing a regional strategy. Each RDA was led by a board

regionally nominated, but appointed by the Secretary of State for Trade and Industry. Their strategy was overseen by an indirectly nominated Regional Assembly, comprising representatives from local government, the private and voluntary sectors, which was also responsible for preparing a statutory regional land use plan and coordinating the strategies of other government departments.

Underlying this devolved economic development and spatial planning approach was a concern to resolve North-South imbalances. Labour ministers faced a tension between seeking to correct the poor economic performance of Labour's Northern heartlands and maintaining the competitiveness of the South-East, seen as the economic locomotive of the UK economy threatened by increasing congestion and the constraints on labour mobility imposed by rising house prices. Tackling Northern regional imbalances was more prominent under the Deputy Prime Minister, John Prescott, than under later Labour Ministers who, while also representing Northern constituencies, gave greater weight to Southern electoral prospects and South Eastern competitiveness in their decision making (which promised greater electoral and economic returns), hence the emphasis on national strategies of technology, innovation and skills (Pike and Tomaney, 2009; X forthcoming).

Regional Government Offices (GOs) formed the other main part of the regional architecture. The then Conservative government had created the GOs in 1994 as a pragmatic response to the need to have regional-level institutions as vehicles for administering EU Structural Funds and to improve territorial coordination by bringing together central departments' regional offices (Spencer and Mawson, 1998). The GOs administered policies on behalf of Whitehall departments, sought to work with

regional and local partners to set strategic priorities, monitor performance, and act as a policy and performance feedback loop between the centre and the localities (Pearce and Mawson, 2007, p. 636). GOs also had a role in generating policy information, including engaging regional and local partners in dialogue about the future of their region, and commissioning regional economic research (Mawson and Spencer, 1998, p. 80). The GOs were potentially key in explaining 'local policy to the centre' and lobbying in a 'non-conformist way', acting as the voice of the region in Whitehall (McMillan and Massey, 2001, p.27; Mawson, 2007). In reality their role largely involved coopting local and other subnational government units, agencies and business into the implementation of national public policy rather than acting as an independent regional voice (McMillan and Massey, 2001, p. 27; Pearce et al, 2008, p.443). Thus their role as MoRs was restricted, 'where they [did] represent regional preferences it [was] in the form of an evaluation-loop, feeding back to the parent departments the practical experience of implementing policy at subnational level' (McMillan and Massey, 2001, p.27).

Under Labour these regional institutions involved a range of MoRs for local politicians, business people, trade unionists, voluntary and community groups. Whether these MoRs amounted to an effective regional representative level is questionable given the absence of a regionally-elected element. Yet, as some commentators have argued, the existence of the RDAs in the north at least meant that they acted as, what might be called, 'countervailing bureaucracies', having a policy development and relationship-building capacity at the regional level, to the national bureaucracies of Whitehall (Danson and Lloyd, 2012). The Coalition government abolished this regional architecture, and vitally the regional-level RDAs. They have

been replaced with a loose delivery chain based on a new ‘sub-regional’ level (incidentally illustrating the fluidity of intermediate governmental boundaries in England (Cochrane, 2012, p. 201). Thirty-nine Local Enterprise Partnerships (LEPs) have replaced the nine RDAs at the ‘sub-regional’ level, for example the North East RDA has been replaced by two LEPs (one for Tyneside and another for Teeside). Ministers have rejected the idea of LEPs as having representative roles. Ostensibly the LEP policy framework leaves considerable scope for sub-regional actors to determine how a LEP should function – how they will organise themselves (except that their chairs and at least half their boards must comprise business representatives), their administrative support and who should be included. In reality their size and limited resources mean they lack the capacity embodied in the RDAs to counter, at the ‘sub-regional’ level, London’s policy dominance. LEPs have also displaced the appreciative systems of the experts and bureaucrats, who formed part of the RDA’s capacity, with those of business. LEPs, then, represent a redefinition, as well as a weakening, of the intermediate level between central and local (Pugalis and Townsend 2012). The loss of regional institutions reflects the Coalition’s pursuit of layering and cuts as well as the long-standing Conservative hostility towards regional government, illustrated by their boycott of Labour’s Regional Select Committees (and now abandoned). This hostility also reflects an underlying politics of redistribution as the Conservative authorities around London resisted pressure under Labour to increase levels of house-building (see next section).

LEPs mark a sharp change in the policy definition of ‘economic development’ from a focus on regeneration (encompassing issues of deprivation with an underlying redistributive intent) and intervention, to a focus on promoting opportunity, enterprise

and ‘trickle down’ economics without major interventions or the major resource commitment implicit in the former Regional Development Agencies. Instead of Labour’s formalised regional-central structures, with their MoRs, LEPs are more informal and composed of business people. LEPs, too, fall short of being countervailing bureaucracies. It could be argued that that they contribute to centralisation for their limited organisational capacity and vague policy responsibilities limit their ability to challenge central government. Thus the decentralisation promised by LEPs was ‘offset by marked centralisation’ with several activities once led by RDAs, such as inward investment, innovation, and management of EU funds, being centralised in Whitehall (McCarthy et al, 2012).

As the MoRs have been removed, those beyond the centre now face difficulties in identifying contacts in central government, that is finding pathways to influence central government policymakers. Despite the continuing need to secure geographical coordination of policy and delivery mechanisms within and between government departments, senior civil servants have been markedly reluctant to fill the void and where necessary have resorted to communication on a ‘below the radar’ and informal basis. The bottom up linkages in many policy areas have become much more piecemeal and, in the sphere of economic development, dependent on LEP actors’ skills in making connections upwards with politicians and officials within central government. The picture is one of a fragmented and sub-optimal set of central-local relations in comparison with that which prevailed previously (this paragraph draws on the discussions in the two workshops).

(2) Social housing: The territorial politics of social redistribution and the role of the public service user

This discussion focusses on Labour's two key reforms of affordable housing service delivery, reforms which the Coalition has now mostly dismantled: (1) the development of regional planning machinery for house-building underpinned by targets and (2) the introduction of a new regulatory system for social housing (this section draws heavily on Xa and Xb, forthcoming). Firstly, Labour ministers sought to promote affordable house-building through the regional planning machinery. They fixed regional housing targets, including specific allocations for social housing provision, which were cascaded down from the regional level to local authorities. In 2008 this delivery chain was restructured with the abolition of the former Housing Corporation and English Partnerships. The new Homes and Communities Agency (HCA) and the Tenant Services Authority (TSA) replaced these bodies, based on a new distinction within the delivery chain between investment (HCA) and regulation (TSA). Labour ministers and their advisers largely designed the HCA to reinforce their capacity to impose their policy direction. A key policy direction was to increase house-building in the South-East to improve housing affordability and prevent high housing costs constraining the economic dynamism of England's most prosperous region. The Conservatives strongly opposed the creation of the HCA. The then Shadow Housing Minister criticised the 'top-down, centrally-driven approach' of the 'unaccountable Homes and Communities Agency' which would allow it 'in conjunction with the unelected regional development agencies, to ride roughshod over local communities, [and] take further powers away from democratically-elected local authorities and place them in the hands of politically-appointed Homes and Communities Agency officials' (HC Deb 27 November 2007 c145). The

Conservatives had already used the supposed threat of ‘concreting over the south-east’, which they claimed would be the consequence of regional house-building targets, as an electoral card during the 2005 election in South-Eastern marginal constituencies.

Very early in government the Coalition Government declared their intention to abolish Labour’s house-building targets under strong pressure from their local councillors and suburban members across South-East England. Many Conservative authorities immediately lowered their planned housing provision. Most commentators assume that removing housing targets is likely to lead to reduced housing completions (e.g. Rydin, 2011, p. 34). More recently, under pressure from developers, the government has announced plans to encourage house-building in general terms but not to plan such building strategically across the country and certainly not return to Labour’s targets plus specific allocations for social housing provision.

Those in the Northern English housing authorities and associations largely saw the HCA policy framework as based on producing affordable housing in Southern England, whereas in the North the pressing issues surrounded housing regeneration and bringing empty homes back into use. Meanwhile the National Housing Federation (the housing association trade body) only represents housing associations and thus has limited claims to be more widely representative. Those who are homeless or unable to afford better housing are left unrepresented. Their interests are pursued by (to some extent) the NHF and organisations like Shelter who lobby government on behalf of these unrepresented groups and seek to use pathways to influence. An important

finding of the pilot research was that many larger associations were looking for ways of developing such pathways.

Secondly, Labour also reformed social housing provision by speeding up the transfer of council housing stock into the non-profit housing association sector and then reformed the social housing regulatory system. The stock transfer policy was driven by ministers' disillusionment with local authorities as social landlords plus the pressing need to invest heavily in repairing the council housing stock by leveraging in more private sector investment through the associations (Xa forthcoming). Prior to 2008 the Housing Corporation was the main regulator of the nonprofit housing associations which, by then, had become the key delivery agencies – responsible for managing just over a half of English social housing and, even more significantly, constructing almost all new social housing as local authorities had largely ceased to build council housing. The Corporation's functions were divided between the investment and grant allocation functions, which were given to the HCA, and the regulatory functions which went to the new Tenant Services Authority (TSA). The TSA both guaranteed the private sector investment in housing associations and sought to establish and defend tenants' rights (but notably no tenant representatives were appointed to the TSA). It should be stressed that, in line with the post-democracy thesis, that ministers were anxious to ensure that any new regulatory arrangements satisfied private investors (Xa forthcoming). The later role was also to be reinforced by a new, independent but government-funded organisation, the National Tenant Voice (NTV); although it must be said that the NTV did not originate with ministers. NTV was intended to empower tenants and protect their interests as a countervailing organisation to provider power, especially given the tension in TSA's role. It was the

first national mechanism of representation for social tenants. They were to be represented, after an extensive process of tenant consultation overseen by the Department of Communities and Local Government, through a combination of regionally-nominated representatives and representatives from the national tenant organisations.

Within its first two years the Coalition government abolished the NTV and TSA, allocated the TSA's regulatory functions to the HCA and clipped the HCA's powers and funding. Thus two important MoRs were removed leaving tenants with pre-existing national organisations which are poorly resourced and not widely accepted as representative among either tenants or within government. Subsequently, Coalition government ministers have responded to the problems of housing affordability by removing lifetime tenure for social tenants, and defining social housing as a residual service rather than an entitlement. Meanwhile, nationally tenants have lost pathways to influence via the Labour party once the party lost power, although they had steadily been losing influence within the party over the last thirty years (Xa, forthcoming). This loss of influence reflected Labour leaders' focus on the marginal voter in the South East and the decline of what was once a strong tenant presence in local Labour organisations.

Conclusion

The case study evidence does not support claims for a paradigmatic shift towards network governance. Neither does it support claims for a weakening of vertical linkages or a strengthening of horizontal linkages within, or across, service delivery chains in the England. Rather the evidence indicates that policymakers still resort to

bureaucratic and hierarchical structures to deliver those key services they value. It also underlines the need to refocus the study of public administration on critical questions of power, competing interests, mechanisms of exclusion and inclusion and contested claims to knowledge and expertise between levels in a delivery chain. In particular, post-democracy (Crouch 2004) helps frame the dilemmas confronting policymakers. For example, Labour ministers (although some ministers were more enthusiastic than others) did build an economic development delivery chain with the potential for being territorially redistributive, although it failed to provide those at the sub-central level with enough policy responsibilities, resources or legitimacy to anchor sub-central discretion effectively. At least in part, this failure reflected how ministers were caught between the need to promote the competitiveness of the UK, largely seen as about the South East, and regional redistributive objectives which promised less electoral and economic returns. The Conservative leadership, once in government, now face their own tensions between the interests of South East business, and housing developers, and those of their suburban electoral and local government support base.

Some significant shifts in service delivery have occurred: (1) horizontal relationships have become, at least under Labour, more evident in various partnerships and official rhetoric, although not necessarily effective (Davies 2009); (2) extra-governmental organisations – in the private and nonprofit sectors – do play a significant role in service delivery in *some* structures of public policy making and delivery; and (3) regulatory-type controls are replacing direct bureaucratic service delivery in some services but, as in housing, simply tightening central control rather than freeing up local, frontline service providers. However, bureaucratic principles remain the means

of ensuring control and accountability even when ostensibly regulatory systems are put in place (as in social housing). Bureaucracies can be repressive but governmental bureaucracies also have a record of promoting redistributive policies and anchoring the representation of dependent groups. Counter-bureaucracies, too, have some potential to defend user interests such as those of social tenants. Meanwhile, those lower down within these structures, whether they are providers or service users, have limited organisational capacity and opportunities to 'self-organise' let alone challenge central control.

Thus power remains highly centralised with the powers of key decision remaining at the centre along the lines of the 'asymmetric power model' (Marsh et al, 2003, Marsh 2008). Central policymakers resort to extra-governmental providers to circumvent established producer groups within government structures, 'governing through governance' (Bache 2003). The Coalition government has abolished governmental layers with resolute centralism and used subcontractual relationships, as even Labour did, to impose change on delivery structures partly to anticipate intra-government, producer group intractability; although this exercise of power is partly obscured by the localist and voluntarist rhetoric of 'New Localism' and the 'Big Society'.

However, the increasing reliance on private sector organisations, and the interchange of staff between government and these organisations, is raising new and pressing questions for future public administration and management research. Firstly, how central policymakers seek to manage their political environments – how they manage the politics of representation and pathways to influence, distinguishing between those interests and groups which should and should not be represented in the delivery chain, how they manage or regulate marginal and dependent groups (Ingram et al., 2007;

Piven and Cloward 1971 and 1977), such as social tenants, and sometimes to undermine opposition from these groups and to claim legitimacy for service reductions from the wider public by stigmatising these groups (Xa, forthcoming). Secondly, whether and how new producer interest groups are crystallising on the margins of government – based around the interests of for-profit companies and, to a lesser extent, non-profit organisations. To what extent are central policymakers able to act independently of these new interests or, as the post-democracy thesis implies, are they becoming subservient to them?

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